Suggestions on Draft Note on buy Indian Steel

5250. SHRI RAMA MUNI REDDY SIRIGIREDDY : Will the Minister of STEEL be pleased to state :

(a) whether Government have circulated a draft note on "Buy Indian Steel" to the Ministry of Commerce and Industry, Finance etc. for their comments;

(b) if so, whether any comments have been received from them;

(c) if so, the details thereof ; and

(d) the reaction of Government on such comments?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY) : (a) Yes, Sir.

(b) and (c) While the Department of Economic Affairs has not supported the proposed legislation the Department of Commerce has suggested to pend the proposal for the time being. The DGFT has suggested including other products in the draft legislation.

(d) The draft legislation is being reconsidered in consultation with stakeholders. However, it may be noted that the proposal was mooted at a time when the domestic industry had been passing through a severe crisis caused by low price and poor demand. The situation has shown improvement since January, 2002 with a general rise in the price of steel products, both domestically and internationally leading to considerable improvement in performance of the domestic steel industry during 2002-03.

Fall in Steel Prices

5251. SHRI JANAKDHANA POOJARY : Will the Minister of STEEL be pleased to state :

(a) whether it is a fact that with the steep fall in prices of steel in domestic and International markets, a number of steel companies are facing crisis with huge inventory ; and

(b) if so, the details in this regard and the measures initiated by Government to revive the sinking steel companies ?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY) : (a) and (b) There has been a significant fall in the prices of flat steel products, particularly Hot Rolled Coils, in the international market. This has resulted in downward revision in the domestic prices.